

Preface

When we asked Percy Mistry to write a compelling policy paper about Africa's lingering debt crisis to stimulate political action, he wholeheartedly accepted. He considered it an interesting challenge because, like FONDAD, he was convinced that it is, most of all, *political action* that is lacking in coming to terms with the need for rapid and large-scale debt reduction programmes for Africa. As Mistry puts it: "...the stark reality remains that for Africa and particularly for its poor what has been achieved still amounts to marginal trimming of the remote outer branches of the problem and not hacking away at its roots. Debt relief, though much to be appreciated and further encouraged, is still being provided to Africa on a 'too little, too late' basis."

This in-depth study on African debt has already proven to be a solid and convincing document. It served as a crucial background paper to an unprecedented conference on 8-9 July 1991 in Abidjan which brought together a remarkable group of African and Northern parliamentarians with leading specialists in the field. At this 'North-South Roundtable on African Debt Relief, Recovery and Democracy', a comprehensive action plan for African debt relief, as advocated by Mistry, was adopted (see the Appendix). The Roundtable was co-sponsored by Parliamentarians for Global Action and the African Development Bank, in cooperation with the Friedrich Ebert Foundation and the Forum on Debt and Development. In his opening address John Langmore, President of Parliamentarians for Global Action, praised the quality of Mistry's paper: "The causes and dimensions of the African debt crisis have been comprehensively described and incisively analysed in the excellent paper prepared for this Roundtable by Percy Mistry."

The strength of this study lies in Mistry's singular capacity to present thoroughly researched but rather 'dull' facts and figures in an elegant and provocative manner. He also points to facts which are contrary to media-created notions: like the idea that African countries do not service debts, or that the debt problem of Africa is mainly with official creditors (governments and multilateral institutions) and not with commercial creditors (mainly banks). As Mistry reveals, African countries have paid back over \$180 billion between 1983-90. This amount exceeds by over \$40

billion the total outstanding debt of Africa at the end of 1982! Mistry also shows that Africa's commercial debt problem is not at all negligible. At the end of 1990, Africa owed nearly \$100 billion to private creditors. That represents 37% of the total amount of \$270 billion owed by Africa.

Mistry's appeal to legislators and policy-makers to agree on a comprehensive debt strategy for Africa (and other developing countries) which involves banks, creditor nations and multilateral institutions, deserves wide attention and support. Some of Mistry's opinions are clearly controversial, but one cannot dismiss his forceful arguments for dealing much more seriously and responsively with Africa's debt problem: "The export of real resources from Africa by way of debt service has increased from about 3% in 1980 to 6% in 1989 and a projected 8% in 1990. That is indefensible in a continent where per capita incomes are still declining from levels which are abysmal."

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November 1991